

Using incentives to improve the quality of beneficiary care: a panel presentation

ISSUE: Should the Medicare program use incentives – either financial or non-financial – to encourage providers to improve care? If so, what are the most effective mechanisms and how might they be implemented in the Medicare program?

KEY POINTS: The Medicare program has traditionally used quality assurance and quality improvement requirements and technical assistance through the QIO program to maintain and improve quality for its beneficiaries. As concerns about the quality of beneficiary care and the pace at which quality improvement is occurring increase and our ability to measure quality improves, some suggest that the Medicare program should find ways to incent providers to improve the quality of care. The Commission supported this concept in its January 2002 report on applying quality improvement standards to Medicare plans and providers. One of MedPAC's recommendations was that, "the Secretary should reward plans and providers for high quality performance and improvement."

Strategies for encouraging more focused provider attention to improving quality are being discussed in national forums such as the Institute of Medicine and the National Quality Forum and in numerous purchaser coalitions across the country. Today, a panel of experts will provide the Commission with information on the importance of incentives, and lessons learned from both the provider and purchaser perspective on designing and implementing them.

- Don Berwick, MD, MPP, President and Chief Executive Officer of the Institute for Healthcare Improvement
- Brent James, MD, M. Stat., Executive Director, Institute for Health Care Delivery Research, Intermountain Health Care
- Suzanne DelBanco, Ph.D., Executive Director, The Leapfrog Group

ACTION: The Commission should consider the various incentives described by the panelists and in the attached paper on case examples and the feasibility of applying them, or expanding their use in the Medicare program. Information from this and future discussions on the topic will be included in a chapter in the June 2003 report.

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